



Deutsche Gesellschaft für  
Technische Zusammenarbeit (GTZ) GmbH

# **Documentation: Round Table**

## ***Culture and Development***

## Preface

On 7-8 April 2005, a round table on Culture and Development took place at GTZ-Haus in Berlin. Twenty-five participants from science and academia, politics, industry, the media and development cooperation (DC) were invited to take part in the event. The objective of the round table was to undertake some critical reflection in this interdisciplinary round of experts on the topic of culture and development, and to discuss in detail and from a German and continental European perspective the following main issues:

- How consistent is the dictum of a policy-based, value-conveying form of DC with the need for culturally sensitive and appropriate DC?
- How – if at all – can cultural change be accelerated to support development and transition processes and make them more effective?
- What effects have democratisation and structural adjustment programmes had on the cultures of these countries?
- Which cultural factors account for the success or failure of democratisation and structural adjustment programmes? Is reform capacity culturally determined (does culture foster or hinder development)?
- Just how can technical cooperation (TC) support and advise on cultural change? Can the experiences of the industrialised countries be transferred to developing and transition countries? What adjustments are required?
- What kind of intercultural competence does an organisation like GTZ need for this and how can this competence be further enhanced?

In the run-up to the round table, two reports were written to serve as a basis and provide input for the two days of discussions: 1) "Cultural Prerequisites for Rule of Law and Democracy in Germany and Continental Europe" (Prof. Wolfgang Merkel); 2) "Cultural Prerequisites for the Development of the Social Market Economy in Germany and Continental Europe" (Prof. Jürgen Hoffmann). These two reports were presented to the plenum. In addition there was an ad-hoc address on "Culture and Corruption" to stimulate discussion (Dr. Hansjörg Elshorst), and a presentation of the project "The Concept of Progress in Different Cultures" (Hans-Georg Thönges), which had been jointly implemented by the Goethe Institute and GTZ. Questions on specific aspects of the overall topic (prepared in advance) were discussed in three small groups as intensive working units.

The following text constitutes a précis of the reports and discussions that took place during the two days of the round table, based on its minutes. We have sought to recapture the wealth of aspects, breadth and depth of the discussions as briefly as reasonable, to keep the document readable. This led us to opt for very succinct recapitulations of the various programme points: the theses and major statements presented. The chronological presentation form, conforming to the programme itself, will enable readers to reconstruct the implicit context as they follow the course of the discussion.

We hope you will enjoy reading the text and look forward to your feedback, ideas and comments.

## **Cultural Prerequisites for Rule of Law and Democracy in Germany and Continental Europe (Prof. Dr. Wolfgang Merkel)**

### *Theses on culture and democracy:*

Empirical analysis shows that although democratic principles are constant, democratic forms vary according to context.

Surface and subsurface structures of a culture make up the entirety of a society's values, norms, customs and modes of behaviour – that is, its culture. Among the subsurface structures are religion and ethnic group; on the surface level are the nation, social capital, civil society and the country's political culture.

Investments in economic and cultural modernisation (education, tolerance, rationality, individuality) are investments in a country's democracy, with education producing an especially high yield.

The more widely a country's economic and cognitive resources are distributed, and the more access to them is opened, the greater the chances are for democracy in that country.

The more societies are ethnically and religiously fragmented, the more they require consensual democratic mechanisms in their representative, participatory and decision-making structures.

Personal freedom of religion must be secured. Supervision of democratic procedures and decision-making by religious bodies is unacceptable.

Socio-economic modernisation is often accompanied by a shift to cultural patterns favouring democracy. If democracy is also to be promoted culturally, the players, institutions, organisations and cooperation arrangements meriting support are specifically those fostering the spread and consolidation of rational/secular views and of values favouring self-realisation and self-expression. If this is not done, the economy and technology may modernise out of step with traditional culture, which may lead to a breakdown in development and the reestablishment of traditionalism in the form of religious fundamentalism.

External support must establish the sort of cooperative relationships that generate a social capital that applies beyond the confines of its immediate origins, is tolerant, and can build bridges between a society's various social groups. To promote without distinction every sort of social capital and civil society can prove not only wasteful but even counterproductive.

### *Theses on rule of law and democracy:*

The underlying cultural conditions for German democracy were permanently altered and fundamentally immunised to crisis by political learning, far-sighted institution-building in the drafting of the constitution, the Westernisation of the political culture, and economic, political and cultural integration into the Western World. In Germany, the consensus of a democratic-minded elite preceded and promoted the development of a popular pro-democratic civil society culture.

Sustainable democratisation calls for compromise on setting up the basic rules for the political system. If there is no accord among the elite, the democracy is endangered. External parties can also promote the achievement of such accord through mediation and moderation.

The reunification of East and West Germany took place under extraordinarily favourable historical and economic conditions. Although economic problems did in fact result, rule of law, and democracy were never threatened. In other contexts, such an abrupt unification might well lead to dangerous flaws and vulnerable points.

A latticework of interconnecting supports strengthens rule of law and democracy. Unilateral dismantling of this latticework for the sake of political participation or elections, at the cost of legal guarantees, deprives the democracy of its buttressing. Without functional rule of law, democracies are incomplete, flawed and semi-authoritarian. This has been the experience of a number of young democracies that have arisen over the past 30 years.

The type of universal principles embedded in rule of law and democracy do lend themselves to export. The institutional forms that absorb these principles – and, more, the development paths to the realisation of these institutional forms – depend significantly on the historical, political, socio-economic and cultural context. European and other experience cannot be directly transferred to other settings, without further ado.

### **Ensuing Discussion**

The dichotomy between surface and subsurface structures is not entirely sound. It is not only ethnicity and religion and such that are deeply rooted, but also other factors such as economic or political culture. The category ethnicity is particularly subject to fluid definition and redefinition according to the political needs of the moment. One can, however, speak of ethnic group and religion as being "deep" structures in that these constructs are difficult to disassemble from the outside.

The question of whether German-German reunification amounted to cultural unification or was confined to systemic factors remains to be clarified.

Investments in education and economic modernisation do not necessarily yield democratic results, as can be illustrated by examples from South-East Asia.

It is illusory to think that cultural change can be brought about by deliberate intervention from the outside.

Democratisation processes are by definition endogenous, which is not to say, however, that intervention from outside is impossible per se.

How democratisation processes are to be supported in "failed states", where rule of law does not prevail, calls for further consideration and more concrete recommendations for action.

## **Cultural Prerequisites for Development of the Social Market Economy in Germany and Continental Europe (Prof. Dr. Jürgen Hoffmann)**

It is not the speed of economic growth but rather its quality that essentially depends upon the respective institutional relationships. Institutions (routines, norms, regulations, and to some degree organisations as well) proliferate in the presence of social production systems.

A historically evolved form of society and the culture that is part of it either enable certain social types of economic growth in the first place, and/or can turn out to be bottlenecks or motors for economic growth in these contexts.

The political demands to transfer the Anglo-Saxon model of market economy to Germany display some naïveté. Such demands overlook the disparity between cultural conditions and would in practice lead to the destruction of German economic strengths without the gain of the Anglo-Saxon ones. The comparative advantages of German companies, provided by the institutions of Rhineland capitalism, are easy to let go of but difficult to reinstate.

The cornerstone of the German economic model was laid in the late Bismarck era, when politically established framework conditions promoted large industrial complexes and their companion unions.

The German model is one of regulation of the market economy based on trust, coordination and cooperation, with the state in the role of organiser; of a social partnership rooted in history; of a long-term orientation on the part of industry; and of semi-public organisations of private-sector cooperation within a tight network of civil society actors. This model was able successfully to solve the problems of "principal-agent", transaction-costs and "free-riders" right on into the 1990s.

One cause of the economic problems in the wake of German reunification is that the new German states in the east have lost (or perhaps never had) the cultures and/or institutions upon which the West German production model is founded. The absence of these structures is slowing integration of the East German economy (and society) into the social market economy.

The ideal of the liberal market economies (e.g., those of the USA, UK, Australia) directly opposes the concept of a coordinated market economy (e.g., Germany / Rhineland capitalism, Netherlands).

A change of course from one model to the other may appear rational enough for individual or collective players (employers, companies, associations) under new, altered circumstances, but it will also lead to major disruptions – even to crisis – in the system as a whole.

### **Ensuing Discussion**

The European aspect has been neglected in the observations made above. The problem is, that in the EU the market economy system is no longer yoked to the social component (since free markets are now the lowest common denominator). But just as we wish to export democracy only in tandem with rule of law, we should export the market economy only in tandem with its social dimension. The exporting of this model is only defensible internationally if European shortfalls in terms of democracy and the welfare state are overcome.

Beyond the confines of the model, the distribution interests that currently prevail are primarily conflicting, allowing erosion of the production interests that are held in common.

The practical question arises of how the attractiveness of the German / continental European model might be increased internationally.

The lack of trust is particularly high in "casino capitalism", as trends toward the formulation of codes of conduct, etc., reveal. Experience in transition countries teaches us that unless "embedding" takes place, Mafia economies arise instead of market economies.

The structural advantage of democracies is manifest in guaranteeing the security of action processes, but not in their results. The former is in itself, however, of marked value in terms of social stability.

## **Culture and Corruption (Dr. Hans-Jörg Elshorst)**

The increased incidence of corruption in developing countries can be traced to the radical cultural change taking place in these societies.

The history of nation-building – in Africa, for example – suggests that what fosters the acceptance of new governments by their populations is the provision of services. This trend was abruptly interrupted by the neo-liberal deregulation introduced by structural adjustment programmes, leading to an increase in corruption.

The problem of defining corruption is very heterogeneous. It can be sketched out by definitions pertaining to a given society, but not conclusively defined.

The topic of corruption is appropriate for face-to-face talks, since it is not a question of the industrialised countries coming up with and conveying package solutions or concepts, but rather of donors and partner countries approaching this problem jointly. Corruption is everywhere viewed in negative terms, so in this case it is not a question of transferring values from "here" to developing countries.

The fight against corruption is taking place in the charged and complex field between the formalisation and liberalisation of processes. In both instances, transparency is absolutely indispensable.

Autocratic systems "in democratic clothing" ("failed democracies") are particularly susceptible to corruption.

Per capita income is the key factor for making prognoses about susceptibility to corruption (other factors are group loyalty and scale of services).

**Report on a Joint GTZ / Goethe Institute Project  
"The Concept of Progress in Different Cultures"  
(Hans-Georg Thönges)**

The aim of the dialogue on the term "progress" was not to draft concrete recommendations for action but rather to raise this idea in people's minds and to seek regional differentiation of the term. The basic idea is that the objective is the process itself.

Today's high-risk society has lost its belief in progress. In Europe, criticism of progress is always criticism of culture as well.

Progress can only be deemed successful if it is embedded within a culture, since the cultural dimension is at the root of progress. If this embedding does not take place, the danger of religious extremism is increased.

The dialogues about progress in various parts of the world reveal that the lack of any consistency in inter-regional uses of the term constitutes a problem. Often progress and modernity are equated with the acceptance of Western concepts.

**Ensuing Discussion**

The progress of progress is at the moment being achieved at the cost of its extraction from its natural home in a particular cultural context. The problem arises of where to house it now.

Progress is always ambivalent, that is, creative and destructive at one and the same time.

In Germany, the term progress is being dramatically reduced through confinement solely to the economic sphere.

In Latin America more and more homogeneous cultural issues are being made into power issues – especially by the Andes peoples in their referral to their own identity. At progress conferences, discussion has often focused not on what progress is but where the progress of a country or region is heading.

## **WG 1: Drawing a "Cultural Profile" of Democratic and Economic Development in Germany and Continental Europe**

"**Cultural profiles**" or "**cultural typologies**" serve to order values into coherent patterns (value systems), to make these comparable and to compare them ideal-typically. Cultural profiles are (in Weber's sense) intellectual constructs. They do not exist in reality in this ideal-typical form. In the real world, value systems are mixed and alter over the course of time.

The **objective** of the WG, with German / continental European experience in mind, is:

1. to identify values, norms and attitudes that promote or inhibit – or influence positively or negatively – the evolution of democratic political institutions, economic development and social justice,
2. to order these factors according to priority and identify opportunities for action (fine tuning possibilities) so that development can be speeded up and development bottlenecks prevented.

The work group uses a raster that – on the basis of the reports presented in the plenum (see above) – presents two extreme poles of various influencing factors that have proved pivotal in shaping democracy, rule of law and market-economy institutions in Germany.

Both poles of the profile posit ideal-typical versions of a given model. The scale of steps in the raster yields a subtly differentiated model that can then be referred to for comparison with other models.

### ***Interpretation of the profile drafted in the WG (for the cultural profile, see Annex) and discussion:***

The cultural profile describes a status quo which, however, is presently being subjected to major processes of transformation.

The cultural profile that was drawn up indicates a high degree of positive participant identification with the model.

From this profile, "typically German" characteristics can be clearly discerned: a tendency to think in terms of principles, a low level of risk readiness, and a strong sense of duty.

In Germany, there are clear tendencies towards individualisation. People are increasingly coming to perceive problems on the level of the individual and not as being structurally determined. (For example, gender inequity is recognised, but is considered to be an individual rather than a structural problem.)

A process of pluralisation is taking place. Institutionalised networks and structures are in the process of disintegrating without being replaced by new ones (e.g. unions). Collective problem situations are becoming less and less typical.

The challenge for the future is to develop social security systems that support and permit a modern and flexible economy.

In the face of change and cultural evolution, education takes on a central role.



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Cultural evolution or profound changes in individual social sub-systems must be secured socially.

The emotional component was not taken into account sufficiently in the cultural profile.

## **WG 2: Experience with and Challenges of Cultural Change with Germany and Continental Europe as Examples**

The **objective** of the WG, with German / continental European experience in mind, is:

1. to clarify if and when a cultural change took place in Germany and continental Europe and under what conditions, and what the connection between cultural change and development was/is,
2. to pursue the question of whether a cultural change can or ought to be deliberately brought about and managed, and whether it is defensible in moral terms to introduce cultural change "externally" and/or to support others in such a process,
3. to identify the factors that promote or induce cultural change.

### ***Discussion:***

In any discussion of whether cultural change can be induced or speeded up, the normative question of whether a cultural change ought to be attempted from outside in the first place (and if so, how) must be raised at the same time.

A cultural change initiated endogenously is not necessarily more sustainable than cultural change brought about exogenously.

The year 1968 may be taken as the point of departure for cultural change in Germany. This change introduced into German society the following innovations: pluralisation of lifestyles, Third World issues, equality between men and women (gender discussion), environment and sustainability debates, European integration/globalisation.

The Berlin Republic is marked by increased debate about efficiency and optimisation. Generally speaking, there has been a detectable economisation of action and thought.

The Berlin Republic is characterised by greater self-confidence in foreign policy and collective uncertainty in domestic policy.

Globalisation is not to be equated exclusively with economisation. Globalisation also means that national cultures are becoming more fluid.

The national culture model is increasingly breaking down into small interconnected units of social capital (immediate cultural experience, e.g. in neighbourhood groups and clubs). This is a sign of cultural change.

A strengthening of the civil society may be observed in recent years.

A key question is what kind of cultural change takes place following a change of system. In Germany, four dates are of significance in this respect over the last 130 years:

- 1) The violation of the constitution in 1871 led not to democracy but to catastrophe (1914).
- 2) Although the shift to full democracy did indeed take place in 1919, the new political culture was unable to gain a solid footing either among the elite or the general population.

- 3) In 1945 and the years thereafter, the successful establishment of the political culture was due to a highly favourable institutional system. The prevailing consensus among the elite was pro-democracy, from which the establishment of a "civic culture" ensued.
- 4) German reunification in 1989/90 may indeed be considered a success, even though no unique instances of institutional foundation as in 1945 can be traced to it.

The experiences of reunification have not yet been adequately thought through in regard to the topic of system/cultural change.

The question of whether system change brings about cultural change or vice-versa is fundamentally unanswerable.

The powerful economisation and Europeanisation of society and the loss of solidarity that is accompanying it, particularly in eastern Germany, is leading to a cultural loss that also calls for further reflection.

The terms "forwards" and "backwards" must be used cautiously in connection with cultural change. However, in an intervention context, objectives must be clearly defined – also in development cooperation.

Elements that to some extent imply or cause cultural change include the following: external factors (globalisation, mass media, international flows of capital, migration), endogenous factors (conflicts, dysfunctions, the questioning and deconstruction of institutions), changing of the guard between generations and demographic change, institutional and cultural engineering.

### **WG 3: The Role of German and Continental European Experience in International Development Cooperation**

The WG has as its **objectives**:

1. to elaborate the distinctive features of German and/or continental European experience, upon which specific activities in the field of development cooperation may then be based
2. to work out a position for German development cooperation on the continuum between cultural universalism and cultural relativism, one consideration being whether German development cooperation should concern itself with the "imparting of values" or a "dialogue about values".

#### ***Discussion:***

A distinguishing feature of cultural systems is cultural flexibility. The imparting and exchange of values may be taken for granted. Culture is not static: new values are always being exchanged. Thus the question is not *whether* values will be passed on but *in what form*.

Consensus has been reached on universally recognised values: democracy, rule of law, human rights. Yet there are discrepancies between values and political practice. Western value systems also include questionable values such as materialism and extremes of individualism.

There is a need to confront one's own double standards and inconsistencies. Only if the negative developments within our own society are included in the dialogue with our partners can we retain our credibility. However, too much soul-searching can also lead to paralysis. It is therefore important to be unambiguous. German development cooperation should – despite a measure of self-criticism – seek to sell the successful export of its subsystems with greater self-confidence.

The field of development cooperation amounts to but a small portion of the overall imparting of values. Development cooperation can serve as a corrective to negative values conveyed in other fields of endeavour.

Specific German inputs in development cooperation could be: integration into regional networks and associations, experience with federalism, experience derived from German reunification, the patent law system, the dual vocational educational system, corporate systems, a culture of remembrance. In the process, sufficient reflection and in-depth examination of how German inputs can be adapted to each respective partner country are an important prerequisite for effective cooperation.

The experience of post-war German reconstruction and the Allies' development of democracy in Germany is for the most part not comparable to situations in our partner countries today. Furthermore, the influence of development cooperation is not to be compared with that exerted by the Allies.

Often in cooperating countries there is unquestioning acceptance of the subsystems conveyed, which then, eclectically, run parallel to one another. For this reason, better harmonisation among donors is a vital necessity. Even within the EU there is a need for greater coordination of development cooperation.



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In general: within the framework of development cooperation we deal with partners who are indeed well disposed toward us. In the process of coming to agreement upon services to be rendered in partner countries, political interests always play a role – so the question of which donor has the "best" subsystem to offer is not as a rule pertinent.

The question arises of whether the increased concern of German development cooperation with values might not necessitate the seconding of additional German experts.

## Concluding Discussion and Recommendations for Further Action

In Germany, there is a persistent inclination to define development cooperation too altruistically. German political interests reside in an interplay among foreign policy, security policy, and development policy.

In the Berlin Republic there is a trend toward understanding development policy as interest-driven policy.

The mainstream of development policy is at present pursuing the "ownership" approach. This means that partner countries increasingly set their own agendas and that donor influence is to be kept to a minimum. This approach is inconsistent with the donors' intention to impart their own values. One task must be to harmonise the discussion about a form of development cooperation that conveys values with that about expanded ownership.

It makes sense to select concrete topics such as administrative law or experience from corporate structures existing in Germany and to export them to partner countries. The export of subsystems, of positive and negative institutional experience, is part of any form of development cooperation that conveys values.

The cultural debate can function as an umbrella for the discussion of concrete experiences and their transferability and implementation potential.

A cultural discussion cannot be left to an organisation's internal corporate perspective (e.g. that of GTZ), but must be the object of policy discussion and analysis. The connection between culture and development has seldom been raised in the regional talks among developing countries. This is where round tables present a distinct opportunity.

In the following round tables the question should be raised of who, actually, has a problem with what: Do the partners in the partner country see cultural dominance as a problem? Or do their problems lie in the cultural disparities within their own country? This topic should be discussed according to how the problem is defined.

In the selection of participants for the regional round tables, it should be kept in mind that the dividing lines today are drawn not so much *between* cultural spheres but rather *within* them. It could prove difficult to bring typical representatives of particular cultural spheres together at a round table.